

# HB 342, Insurance Code Amendments

Representative Jim Dunnigan, Sponsor    Senator Sheldon Killpack, Senate Sponsor

## Summary for Senator Killpack

This omnibus bill from the Utah Insurance Department makes policy changes as shown below and makes technical changes recommended by the Department, by the Office of Legislative Research and General Counsel, and by various insurance industries.

### Policy Changes:

- **Exclusion definition.** Lines 395 to 400. This change adds this definition to support a definition need in Senator Knudson's SB 62 and clarification for staff and industry.
- **Participation definition.** Lines 863 to 871. This change adds two additional classes of employees – those insured by Medicare and those insured under some other governmental benefit program – to the current classes that are eligible for exclusion from insurer imposed eligible employee participation requirements.
- **Secondary medical condition definition.** Lines 1066 to 1067. This change adds this definition to support a definition need in Senator Knudson's SB 62 and clarification for staff and industry.
- **Title and Escrow Commission.** Lines 1326 to 1339. This change clarifies that no title insurance industry member of the Title and Escrow Commission may be from the same county or title insurance company as another title insurance industry member. This change also allows the public member of the Title and Escrow Commission to be from any county in the state.
- **Service contract disclosure.** Lines 1513 to 1514. This change requires an additional disclosure by service contract providers for additional consumer protection.
- **Interest payable on life insurance proceeds.** Lines 1891 to 1913d. Insurers currently pay interest on life insurance proceeds. This change brings Utah into conformity with the national interest payable standards promulgated by the Interstate Insurance Regulatory Product Commission.
- **Special enrollment for individuals receiving premium assistance.** Lines 1915 to 1945. This change allows low-income individuals to participate in commercial health insurance products using Medicaid assistance dollars. This change also allows a special enrollment privilege into employer sponsored health insurance plans for persons qualifying for assistance.
- **Basic Health Care Plan.** Lines 1984 to 2013. This change clarifies how cost sharing features (deductibles and prescription drug co-insurance) apply to a family.
- **Catastrophic coverage to mental health conditions.** Lines 2025 to 2126. This change clarifies the intent to apply catastrophic mental health coverage and 50/50 mental health coverage requirements to a health benefit plan and not to all health insurance.
- **Fingerprints for new individual insurance licensees.** Lines 2224 to 2225, 2486 to 2488, and 2557 to 2559. This change deletes the Department's authority to fingerprint individuals renewing their insurance license and conforms the statutory language

requiring fingerprinting of new license applicants to Federal Bureau of Investigation language requirements.

- **Misrepresentation of the provisions of a viatical settlement.** Line 2366. This change adds intentionally misrepresenting the provisions of a viatical settlement to the reasons for revoking the license of an insurance producer.
- **Universal individual and small group health insurance applications.** Line 3161. The health insurance industry and the Insurance Department have worked together to develop a universal application for individual applicants for health insurance and are working on a universal application for small group health insurance. This change allows the Insurance Department to adopt rules pertaining to the use of these universal applications.

The remaining changes in this bill are technical changes requested by the Insurance Department, the Office of Legislative Research and General Counsel, and various insurance industries.